

Asset spotlight

Equities

31 October 2025

An easy way to invest in global equities

Our Investment Office thinks equities will be an especially attractive asset class over the coming months – a view now embedded in its Tactical Asset Allocation. While mandate clients need not worry about implementing this assessment, those who take care of their investments themselves face a continuous stream of new challenges. Should an allocation be implemented via direct investments or investment funds? Should the focus be regional or global? In this publication we take a closer look at a global equity fund.

Overweight US equities

In the latest Tactical Asset Allocation (TAA) update at the end of September 2025, our Investment Office raised the equity allocation from Neutral to Overweight. This decision was implemented through a corresponding adjustment to the US equity allocation. The upgrading of the equity allocation and US equity market is justified by a variety of fundamental factors.

Economic headwinds

Global growth will be fairly lacklustre this year, although a recession is not expected. The US economy remains on a growth trajectory, albeit with a weakening trend. While growth rates this year and next will be significantly down on the figure for 2024, the US continues to outshine Europe in overall terms.

Base scenario for financial markets

Interest rates

- Further cuts in key interest rates in the EU and US; Switzerland holding off for now
- Short-term yields falling; long-term yields caught between economic slowdown and expansionary fiscal policies/inflation

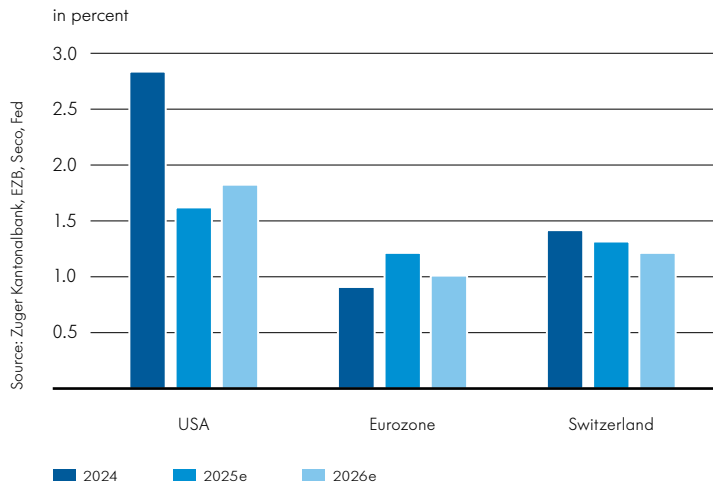
Economy

- Global growth below trend, but no worldwide recession
- Developed economies: growth close to stagnation; risks lie more on downside
- Corporate earnings remain robust, partly helped by tax-friendly policies in US

Asset classes

- Risk assets: slight uptrend, though persistently high volatility due to US tariff policy
- Equities: focus on fast-growing markets/sectors
- Despite high valuations, US equities remain attractive with no sign of earnings recession
- Currencies: USD structurally weak, weighed down by expected rate cuts and inflation hike due to tariffs

Real GDP Growth

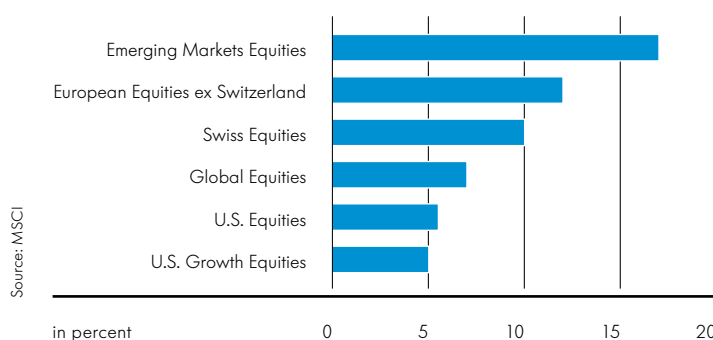


Equity markets remain unimpressed

Corporates have delivered an impressive performance over the last few quarters. The numbers from US companies continue to head in the right direction, notwithstanding the political uncertainty. In fact, companies have exceeded forecasts for sales as well as earnings – in some cases significantly. Future prospects are also intact, provided earnings go on growing. The contribution to growth driven by the boom in artificial intelligence should not be underestimated. US equity heavyweights therefore remain a key component of the portfolio. However, the other equity regions are also likely to benefit from the generally positive sentiment on equities – if to a lesser extent. That being the case, all regions ex US are classified as Neutral.

This view is likewise supported by historical long-term performance, i.e. over the last ten years. In Swiss franc terms, US growth stocks delivered an average annual return of 17% as against 12% for the broad US market. By comparison, the global equity market achieved an average annual return of 10%.

Average Annual Returns over the Past 10 Years (in CHF)



What does this mean for investors?

There are various ways in which an equity asset allocation can be put into practice. On the one hand, it is possible to invest in each region separately; this enables any changes in the Tactical Asset Allocation to be replicated at any time. The simplest and most manageable way to do this is to buy a globally focused equity fund – thus covering the entire asset class with a single product. Though this is very easy to put into practice, the ability to undertake any finetuning at regional level is lost since this is done directly by the fund company. In that respect, therefore, investors are totally dependent on the fund managers. Careful product selection is vital – only in that way is it possible to invest with confidence. Capital Group New Perspective Fund (Lux) is one example of a product that is suitable for this type of implementation, so let us now take a look at it in a little more detail.

Capital Group New Perspective Fund (Lux)

Established in 1931, Capital Group is one of the oldest and largest globally active fund managers in the world. Originally launched for US investors only, the New Perspective Fund is one of Capital Group's best-known global equity strategies. The strategy is now open to investors outside the US too, via the Capital Group New Perspective Fund (Lux). Managed by the same experienced team, it pursues the same approach as the US strategy but additionally takes explicit ESG criteria into consideration.

Fund name	Capital Group New Perspective (Lux) Z
ISIN	LU1295555210
Fund assets	USD 18.2 bn
Total expense ratio	0.8%

The investment approach is founded on a long-term perspective and flexible global equities strategy. The aim is to identify companies that are driving far-reaching, sustainable changes and are benefiting from evolving global trade patterns as well as cross-generational, long-term changes in the global economy. The fund company seeks long-term capital growth, by investing in a range of companies extending from early-stage multinationals through to established global market leaders.



“Thanks to the multi-portfolio manager approach, dependence on a single view is significantly reduced. Thus the fund is an excellent vehicle for building an equity allocation using a single product.”

Christoph Riniker, ESG Analyst

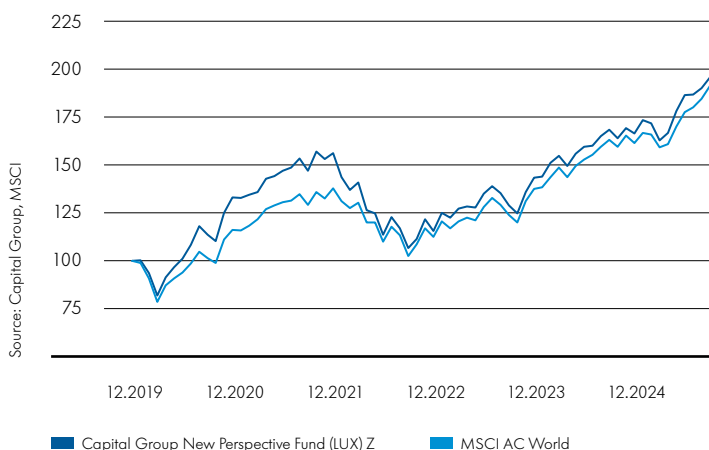
One of the features of the Capital Group New Perspective Fund (Lux) is the fact that its fortunes are decided by an entire team rather than just one or two portfolio managers. The overall portfolio is divided between ten global equity portfolio managers and a team of investment analysts. The ten portfolio managers construct their own sub-portfolios independently of one another, while the responsible sector analysts additionally invest in their most convincing ideas – for which they bear responsibility. The overall portfolio is a combination of these individually managed sub-portfolios. This helps avoid excessive concentrations and risks, and at the same time seeks to achieve consistently above-average long-term returns.

Global Compact or belong to certain sectors. Furthermore, the fund company applies a stewardship approach – in other words, it is involved in proxy voting as well as engagement, based on the holdings in the portfolio. Not least, the investment fund also has a climate target: the portfolio’s carbon footprint is monitored and managed such that it is at least 30% below its benchmark index. The Capital Group New Perspective Fund (Lux) is classified as an Article 8 fund. It is therefore a financial product classified under the EU Sustainable Finance Disclosure Regulation (SFDR) and promotes environmental or social characteristics – without necessarily pursuing a sustainable investment target.

Publications

You can find more information as well as further publications relating to ESG on our website at www.zugerkb.ch/en/esg

Performance Analysis



Note: The information about the index is provided for illustration purposes only. The fund is actively managed rather than in line with a benchmark. Past results are no guarantee of future results.

ESG factors

The portfolio is managed using an ESG integration approach. In other words, in addition to traditional financial analysis, ESG-related data are also incorporated into the fund’s overall analysis and appropriate consideration is given to ESG risks and opportunities. This includes the application of exclusion criteria, and affects issuers that violate the UN

Do you have any questions or suggestions relating to this publication?

Please do not hesitate to contact your client advisor.

We are signatories to or members of the following organisations:

Signatory of:



This document has been prepared for information and marketing purposes only and does not constitute an offer or an invitation by, or on behalf of, Zuger Kantonalbank (ZugerKB) to buy or sell financial instruments or banking services. It is addressed to recipients designated by ZugerKB with residence in Switzerland for personal use and may not be reproduced, in whole or in part, changed or distributed or disseminated to any other addressees without the written permission of ZugerKB. The information in this document is given as of a specific date and has been obtained from sources that ZugerKB believes to be reliable. Nevertheless, ZugerKB cannot make any representation that the information is accurate, complete or up-to-date. ZugerKB does not accept liability for any loss arising from an investment behaviour based on the information in this document. The prices and values of investments mentioned and any income resulting therefrom may fluctuate, rise or fall. References to previous developments do not have any bearing on future results. This document does not contain any recommendations of legal nature or regarding accounting or taxes. Nor should it in any way be construed as an investment or strategy that is appropriate for or tailored to the personal circumstances of the recipient. (V2025)

This publication may contain data from third parties.

SIX Swiss Exchange AG ("SIX Swiss Exchange") is the source of SIX indices and the data comprised therein. SIX Swiss Exchange has not been involved in any way in the creation of any reported information and does not give any warranty and excludes any liability whatsoever (whether in negligence or otherwise) – including without limitation for the accuracy, adequateness, correctness, completeness, timeliness, and fitness for any purpose – with respect to any reported information or in relation to any errors, omissions or interruptions in the indices or its data. Any dissemination or further distribution of any such information pertaining to SIX Swiss Exchange is prohibited." Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent. The MSCI EMU Top 50 index is a custom index. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Zuger Kantonalbank. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. The use by Zuger Kantonalbank of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Zuger Kantonalbank by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI. Bloomberg® and Bloomberg-indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the indices (collectively, "Bloomberg") and have been licensed for use for certain purposes by Zuger Kantonalbank. Bloomberg is not affiliated with Zuger Kantonalbank, and Bloomberg does not approve, endorse, review, or recommend products from Zuger Kantonalbank. Bloomberg does not guarantee the timeliness, accuracy, or completeness of any data or information relating to Bloomberg-indices. Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE-Group"). © LSE-Group 2025. FTSE Russell is a trading name of certain of the LSE-Group companies. FTSE Russell® is a trade mark of the relevant LSE-Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE-Group company which owns the index or the data. Neither LSE-Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication."

Wir begleiten Sie im Leben.

